

HOUSE BILL 2086

By Fincher

AN ACT to amend Tennessee Code Annotated, Title 47,
Chapter 9, relative to secured transactions.

WHEREAS, the Tennessee court of appeals rendered a decision on August 31, 2006, in the case of *Auto Credit v. Wimmer*, 2006 WL 2523979, regarding the notice due to debtors prior to a sale of repossessed collateral by a split 2-1 decision; and

WHEREAS, the general assembly desires to clarify and reaffirm the duties of creditors; now, therefore,

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 47-9-611, is amended by adding as a new subsection (f):

(f) A secured party complies with the notice provisions of this section and §47-9-610 in a commercially reasonable manner if the record or notification is sent as provided in §47-9-102(74) regardless of whether or not such notice is received as provided in §47-1-201(26).

SECTION 2. Tennessee Code Annotated, Section 47-9-628, is amended by adding as a new subsection (f) the following:

(f) A secured party is not liable to any person under § 47-9-625(c)(2) if such person:

(1) Has failed to timely provide an address, change of address or method to receive communication; or

(2) Has refused to accept or failed to claim a record or notification sent as provided in Tennessee Code Annotated, Section 47-9-102(74).

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it.

